Statement by Scott Burns

Deputy Director for State and Local Affairs

Office of National Drug Control Policy

Before the U.S. House of Representatives Committee on Science March 3, 2005

"H.R. 798, the Methamphetamine Remediation Research Act"

Chairman Boehlert, Ranking Member Gordon, and Members of the Committee: thank you for the opportunity to appear before you today to discuss efforts to reduce the problem of methamphetamine in America.

The Office of National Drug Control Policy (ONDCP), a component of the Executive Office of the President, was established by the Anti-Drug Abuse Act of 1988.

ONDCP is the President's primary source of support for counter-drug policy development and program oversight. The Office advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the National Drug Control Program agencies. The principal purpose of ONDCP is to establish policies, priorities, and objectives for the Nation's drug control program. The goals of the program are to reduce illicit drug use, manufacturing, and trafficking, drug-related crime and violence, and drug-related health consequences. To achieve these goals, the Director of ONDCP is charged with producing the *National Drug Control Strategy*. The *Strategy* directs the Nation's anti-drug efforts and establishes a program, a budget, and guidelines for cooperation among Federal, State, and local entities.

In my testimony I will discuss the extent of the methamphetamine problem in America, the Federal government's progress in reducing the number of methamphetamine labs and ameliorating their impact, and the principal findings and recommendations of the Administration's "National Synthetic Drugs Action Plan" regarding methamphetamine laboratories.

The issue of methamphetamine is one with which I am well acquainted. Prior to being nominated and confirmed in my present position, I worked as an elected prosecutor in a rural county, where methamphetamine use, sales, and production were a problem. Prosecutors and police in areas where methamphetamine is a problem know too well the toll that methamphetamine production and use take on both individuals and their community. In short, the consequences to individual health and the associated criminal activity as well as the environmental and economic harm, can be devastating.

Fortunately, there is good news. We have recently seen some encouraging results from new methods of attacking the methamphetamine trade. And the Administration's above-referenced "National Synthetic Drugs Action Plan," which I will discuss here in more detail, is a comprehensive approach designed to weaken the supply of, and the demand for, methamphetamine in the United States. I will highlight relevant parts of the Action Plan and outline the tasks that we intend to accomplish over the next four years to continue to reduce the methamphetamine problem in America, focusing on methamphetamine labs for this hearing.

Describing the Market

Any supply reduction strategy for methamphetamine must first inquire as to the source of the drug. Available information regarding the amount of methamphetamine seized from methamphetamine laboratories of varying sizes suggests that most of the methamphetamine consumed in the United States is likely to originate from "superlabs" (laboratories with a daily production capacity exceeding 10 pounds), and either smuggled into the United States from outside of our borders, or produced within our borders, often by Mexican criminal organizations.

Similarly, we believe that a smaller amount is produced in smaller quantities at "small toxic laboratories" (STLs), which can be found in residences, vehicles, and makeshift structures. The impact of STLs has been of particular note on a number of levels. First, children in and around STLs are harmed by the toxic chemicals used in the methamphetamine manufacturing process. Small toxic labs contaminate the environment when methamphetamine cooks dump their toxic

chemicals into the water table and onto farmland. Also, these labs create life-threatening hazards, such as explosion or chemical toxicity, which harms not only the people cooking methamphetamine, but first responders, who try to save lives by entering burning and contaminated sites. As noted above, the amount of methamphetamine consumed in the United States originating from these smaller clandestine laboratories is believed to be smaller than that originating from superlabs. However, due to the effects described above, they are a particularly pernicious problem.

Attacking the supply from both sources—superlabs and STLs is important, but each requires a somewhat different approach.

Administration Efforts

With respect to the superlabs described above, law enforcement efforts have aimed to cut off the supply of pseudoephedrine, the principal ingredient (or precursor), used to produce methamphetamine. In recent years, the supply came primarily via Canadian suppliers to domestic superlab operators. Law enforcement efforts to disrupt the diversion of these chemicals from Canada have been coordinated in Operation Northern Star, led on the American side by DEA, with participation by US Immigration and Customs Enforcement, and closely coordinated with the Royal Canadian Mounted Police (RCMP). Canada's implementation of controls on the importation of precursor chemicals was also a critical element in stopping the flow of chemicals into Canada. In a sign that these efforts are having a real impact, the number of superlab seizures within the United States has substantially declined since the initiative's inception in 2001. Other indicators suggesting that Operation Northern Star has contributed to shrinking the illicit pseudoephedrine market include a decline in pseudoephedrine and ephedrine incidents at the Canadian border by 92% and a doubling in the price of bulk pseudoephedrine in the illicit market in California, the state with the most superlabs. Arrests and prosecutions are among the principal drivers of these market changes: in April 2003, the DEA and RCMP announced the arrest of 78 individuals in 10 cities throughout the US and Canada, and just last month, the DEA arrested an additional 90 methamphetamine and ephedrine traffickers in a single operation.

Along with the reduction in domestic superlabs, it appears that the decline in chemical trafficking to Canada has caused some chemical suppliers to seek to ship the chemicals to Mexico instead, where law enforcement believes the number of labs is increasing. Consistent with these changes to the illicit pseudoephedrine market, methamphetamine seizures at the shared border with Mexico rose from 1,130 kilograms in 2002 and 1,790 kilograms in 2003 to 2,145 kilograms in 2004.

For this reason, the Administration will continue to work with our international partners to stop the flow of bulk pseudoephedrine and ephedrine into Mexico, through bilateral chemical control cooperation and multilateral cooperation with the international chemical industry. We particularly acknowledge the leadership of the Fox administration in seeking mechanisms to control the methamphetamine threat in Mexico. We fully support their efforts to become more effective at identifying and dismantling labs on their side of the border. During the week of November 8, 2004, US Immigration and Customs Enforcement agents, in coordination with DEA, dismantled a major Mexican smuggling organization that was smuggling precursor chemicals and finished methamphetamine into the United States from Mexico. During the course of this Organized Crime Drug Enforcement Task Force (OCDETF) investigation, agents seized 1,100 pounds of iodine, 37 gallons of hypophosphorous acid and 25 gallons of hydriodic acid – all of which are precursors used in the methamphetamine production process – at or shortly after crossing the border. The DEA Southwest Laboratory has calculated that this quantity of chemicals could have been used toward the production of approximately 550 pounds of methamphetamine.

Currently, the United States is involved in several multilateral initiatives to track chemicals used in the manufacture of amphetamines, methamphetamine, and other amphetamine-type stimulants such as 3,4 methlyenedioxymethamphetamine (MDMA) and other synthetics, with the goal of enhancing the involvement of China, India, the Netherlands, Canada, Mexico, Poland, the Czech Republic, and other countries in cooperative chemical control efforts.

In addition, the efforts of Federal law enforcement agencies and programs continue to be focused on disrupting the domestic market for methamphetamine. The percentage of Organized Crime Drug Enforcement Task Force (OCDETF) investigations in which at least one of the drugs involved included methamphetamine increased from 19.2% in FY 2001 to 25.1% in FY 2002. The program's methamphetamine focus has continued to increase since then, to 25.9% in FY 2003 and 26.7% in FY 2004. OCDETF investigations which involve methamphetamine are particularly prevalent in three of the nine OCDETF regions – West-Central, where 53.1% of the investigations involve methamphetamine; Southwest, with 58.8%; and Pacific, with 45.8%.

National Synthetic Drugs Action Plan

In October 2004, the Administration released the first-ever "National Synthetic Drugs Action Plan", which describes the Federal government's response to the production, trafficking and abuse of synthetic drugs like methamphetamine and MDMA, as well as the diversion of pharmaceutical products. Among the many recommendations of the Action Plan are those designed to cut off access to methamphetamine producers to precursors such as pseudoephedrine.

Federal legislation will be necessary to implement many of the recommendations set forth in the Action Plan. The new Synthetic Drugs Interagency Working Group, established by the Action Plan, will be developing recommendations to implement key provisions of the plan.

Several provisions of the Action Plan aim to disrupt the ability of methamphetamine cooks to gather the chemicals they need to produce the drug. Toward this end, the Administration supports lowering the Federal limit on single-sales of pseudoephedrine products. The Action Plan's recommendations also include the deletion of the so-called "blister-pack exemption" that currently exists in Federal law. Though the exemption was initially implemented based on the expectation that methamphetamine manufacturers would not be likely to undergo the relatively difficult process of removing small amounts of pseudoephedrine from a large number of blister packs, law enforcement reports that even blister packs are being procured in large quantities and the emptied packs found at methamphetamine labs. For this reason, expecting blister-pack sales to abide by the same rules as other pill containers will help in the fight against methamphetamine production. Similarly, ensuring that these standards apply to the various forms of the product

will prevent methamphetamine cooks from switching to alternate pseudoephedrine products, as the pills or tablets become more difficult to procure in significant quantities.

As with any regulatory scheme, it is critical that appropriate penalties be imposed for violation. Tough sanctions should be imposed upon not only methamphetamine producers and traffickers – both at the state and Federal level – but also upon those who illicitly traffic or distribute methamphetamine precursors such as pseudoephedrine. Especially because domestic superlabs have declined, and some of these superlabs appear to have been pushed to areas outside of our borders, a continuing focus by law enforcement on illicit shipments of bulk pseudoephedrine inside and outside our borders is critically important.

In response to the presence of these widespread smaller laboratories, the Action Plan highlights the importance of improved treatment, prevention, and education measures and makes several recommendations for Federal action in these areas.

Additional measures taken by some states have focused on limiting not only the amount of pseudoephedrine products that may be purchased, but also the location and manner in which the product may be purchased, and have imposed additional requirements for the process of the purchase itself. Over the next several months, the Administration will be closely analyzing the data and results in states where these innovative measures have been implemented. As many of these state actions were taken in the recent past, the Administration will wait for better data and information to emerge before commenting on the effectiveness or impact of the various proposals to reduce methamphetamine availability or methamphetamine laboratory numbers and how they relate to Federal policy.

Critical to the successful implementation of the Action Plan's recommendations will be a continuing commitment to cooperation not only between Federal agencies, but also between the Executive and Legislative branches of the Federal government, and a continuing partnership with state and local entities committed to making the methamphetamine problem smaller. We expect that the work of the Action Plan's Interagency Working Group will culminate this year in a final

report to cabinet-level officials including the ONDCP Director and Attorney General, and possibly additional legislative recommendations to Congress.

Conclusion

It is important to remember that this drug threat, like others we have faced in the past, is not impervious to effective supply- and demand-control, as seen in Operation Northern Star. We know from years of experience that when we control the precursor chemicals and reduce the availability of methamphetamine, the price of the drug will rise. By prosecuting those who steal large quantities of pseudoephedrine from small mom-and-pop stores and those who would expose children to the toxic chemicals used to make this drug, we disrupt production. As we make treatment available, and support more people making it into recovery, demand will diminish. This requires all levels of government, as well as the private sector and our international allies, to commit to diminishing this threat to Americans' health and well-being.

The Administration looks forward to working with this Committee and the entire Congress on the important issue of methamphetamine. Together with Congress, we can achieve the kind of progress that will improve the lives of our children and make us all proud.